



**DoD Commercial Packaging  
Pilot Program  
Implementation Plan and Guidelines**

**For  
AlliedSignal Aerospace Equipment Systems  
And  
GE Aircraft Engines / GE Engine Service**

**June 24, 1999**

# Commercial Packaging Pilot Program

## Table of Contents

Foreword .....	iii
Endorsement .....	iv
I. Program Background .....	1
II. Global Objectives .....	2
III. Keys to Successful Implementation .....	2
IV. Caveats and Boundaries .....	3
V. Vision for Change .....	4
VI. Today's Process .....	5
VII. Pilot Process .....	6
VIII. Making the Pilot Process Work .....	7
IX. Pilot Process Roles and Responsibilities .....	8
X. Things to Avoid .....	9
XI. Balanced Scorecard for Measuring Performance .....	11
XII. Guidelines for Successful Implementation .....	12
XIII. Plan for Reporting and Evaluating Results .....	13
Appendix A: OSD & Service Policy & Guidance .....	14
Appendix B: GE Aircraft Engines/GE Engine Services (Cage 07482, 99207, 24113, 06858, 062W2) Commercial Packaging Pilot Program Pilot Program Description Company Specific Local Site Execution Plan Paper .....	TBD
Appendix C: AlliedSignal Aerospace Equipment Systems (Cage 59364, 64547, 99193) Commercial Packaging Pilot Program Pilot Program Description Company Specific Local Site Execution Plan Paper .....	TBD

# *Commercial Packaging Pilot Program*

## **FOREWARD**

This document provides the Implementation Plan and Guidelines for a Pilot Program to investigate the feasibility of utilizing commercial packaging for the military. The framework was developed by a joint industry/government Packaging Integrated Product Team (IPT) working group under the sponsorship of the Deputy Under Secretary of Defense (Acquisition Reform) and the Deputy Under Secretary of Defense (Logistics).

DUSD(AR) and DUSD(L) extends its thanks to all members of the IPT who provided their time, input and collaboration to produce this plan.

It is our belief that this plan offers a model approach for more rapid experimentation and institutionalization of Civilian/Military Integration (CMI).

# ***Commercial Packaging Pilot Program***

## **I. PROGRAM BACKGROUND**

- Under Defense Reform, all Military Services have pursued opportunities to reduce packaging costs through the application of commercial packaging practices.
- On September 10, 1998 DUSD (AR) and DUSD (L) authorized pilot programs to test feasibility of accelerating application of commercial packaging practices for products specified under Mil-Std-2073.
- On October 7, 1998 General Electric and AlliedSignal Companies were invited to participate in the Pilot Program.
- The Integrated Product Team (IPT) was chartered on October 29, 1998 by the Deputy Under Secretary of Defense (Acquisition Reform) and the Deputy Under Secretary of Defense (Logistics), with representatives from industry, all Military Services and Defense Acquisition Agencies to develop the plan and guidelines for the Pilot Program (See Appendix A).
- The IPT convened several times from October 1998 through March 1999 to identify issues and develop preliminary concept papers.
- On March 5, 1999 the Principal Deputy Under Secretary of Defense (Acquisition and Technology) granted formal approval of a 3 year DoD Packaging Pilot Program (See Appendix A).
- The final Team meeting convened on April 20-21, 1999 with all IPT members and other invited stakeholder representatives to reach consensus on remaining issues.
- The Rapid Improvement Team (RIT) Process was utilized at this meeting to ensure full participation, timely closure on issues and commitment to support implementation.

# ***Commercial Packaging Pilot Program***

## **II. GLOBAL OBJECTIVES**

1. Provide industry with the flexibility to find and test innovative packaging practices (from both military and commercial experience) for items which enter the military distribution system. It is intended that these packaging practices will meet packaging performance requirements better, cheaper and faster than current Mil-Std-2073 specifications allow.
2. Determine the benefits, costs and risks of applying these innovative practices to other items and industry vendors while incorporating lessons learned from the pilot into Mil-Std-2073.
3. Accelerate the process for successful collaboration between DoD and its industry partners.
4. Empower DoD Packaging Specialist to be the catalyst for identification and transfer of best packaging practices.

## **III. KEYS TO SUCCESSFUL IMPLEMENTATION**

Accomplishing the Pilot Program objectives will require all stakeholders to operate in the spirit of:

- Open and timely communication between all Pilot Program participants.
- Shared responsibility for Pilot Program Success.
- Recognition and balancing of all stakeholder interests, and
- Flexibility in packaging practices balanced with active assessment and management of risks.

# *Commercial Packaging Pilot Program*

## **IV. CAVEATS AND BOUNDARIES**

The intent of the Pilot Program is not to:

- Diminish packaging performance on items entering the military distribution system.
- Dismiss or undermine the value of Mil-Std-2073.
- Shift risk and costs to military end-users, or
- Eliminate or undermine packaging expertise resident within DoD.

# Commercial Packaging Pilot Program

## V. VISION FOR CHANGE

Accomplishing the objectives of the Pilot Program will require a paradigm shift in the way packaging needs for military distribution items are fulfilled:

### From:

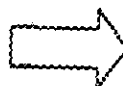
### To:

DoD has the final decision on packaging innovations



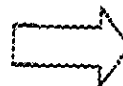
DoD and industry collaborate on decisions to implement packaging innovations

A time consuming and rigid process for implementing packaging innovations



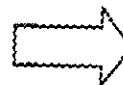
A fast, streamlined, and responsive process for finding and implementing packaging innovations

DoD dictates packaging standards / specs to industry



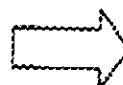
DoD shares packaging performance requirements with its industry partners and encourages industry to find the most cost effective and responsive packaging solutions

Industry trying to infer DoD packaging needs from Mil-Std-2073



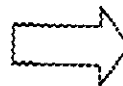
DoD and industry communicating upfront to gain full, updated understanding of end-user packaging performance needs

No formal feedback loop between industry vendors and DoD to share packaging ideas and innovations



An actively managed, systematic feedback loop between industry vendors and DoD that accelerates identification and institutionalization of packaging innovations

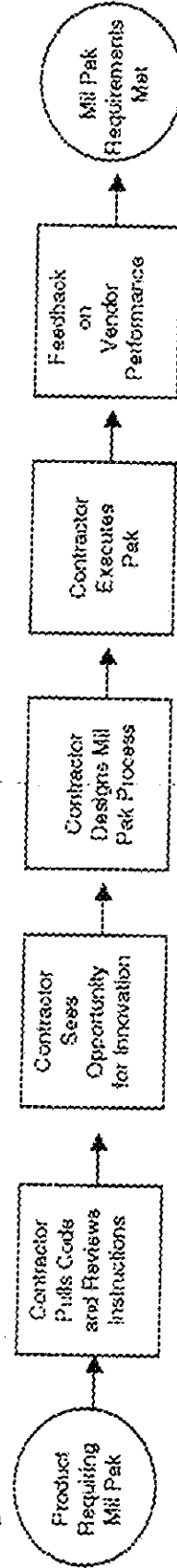
DoD assuming full liability for packaging performance--both failure and operating costs



Industry vendors and DoD sharing liability for results of implementing packaging innovations

## VI. Today's Process

Triggering Event:



Problems

Mil Std often unclear and not performance based resulting in over packing

New materials/pak processes not incorporated fast enough

Long/difficult process for requesting and obtaining approval for change

Vendors not encouraged to innovate

Costly requirements for Mil Pak process and procedures

Need for separate production line for Mil Pak items

Performance feedback can take years to get back to contractor

Opportunity for Innovation

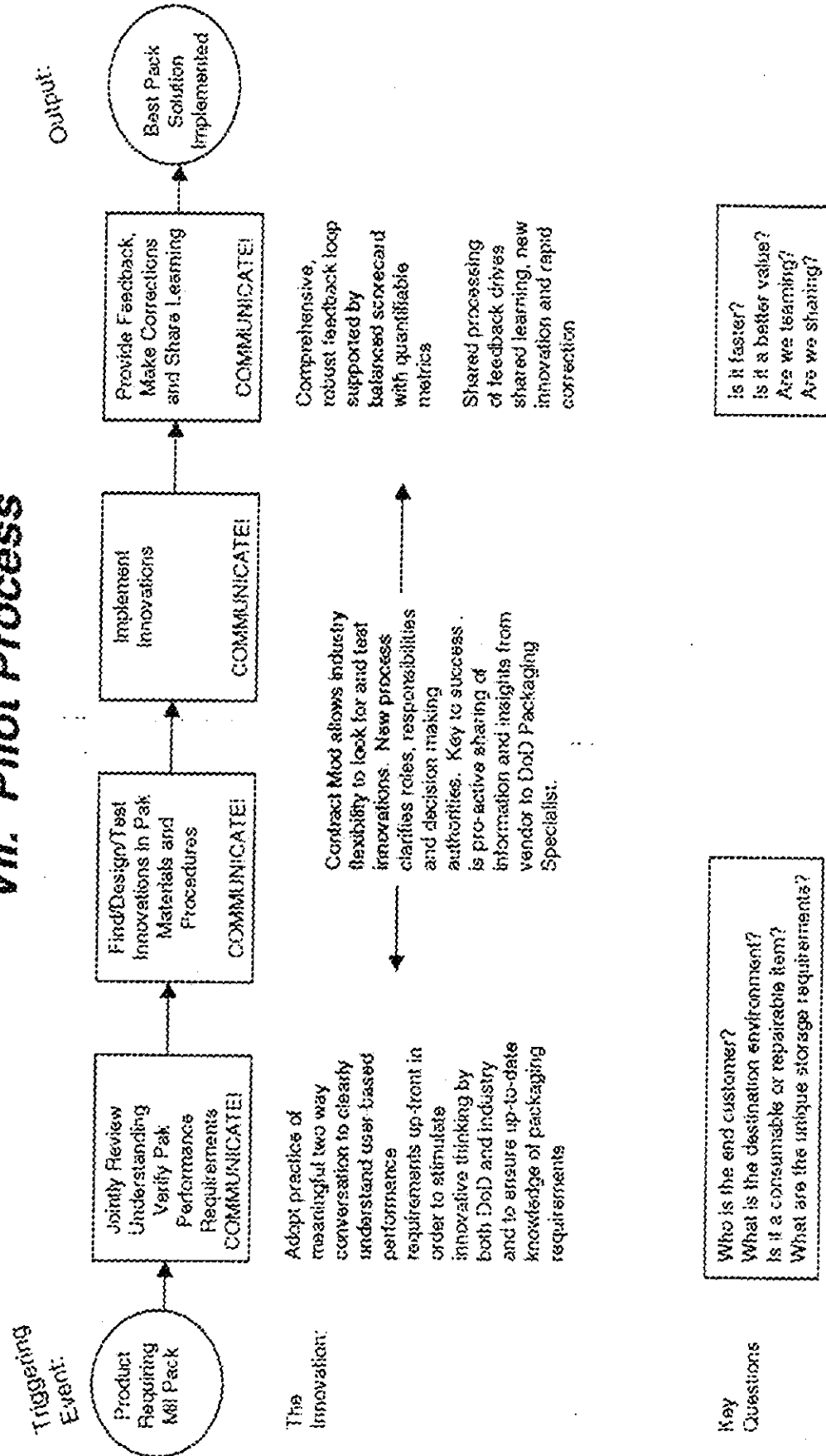
Establish formal communication on performance requirements between DoD and industry to clarify and user needs and identify innovation opportunities on a continuous basis

Create contract and a new streamlined process, redefined role and responsibilities to provide selected vendors flexibility to find and test packaging innovations

Develop formal feedback loop using a balanced scorecard approach to quickly identify proven innovations for broader application



## VII. Pilot Process



## Commercial Packaging Pilot Program

### VIII. MAKING THE PILOT PROCESS WORK

- ✓ Everyone must understand the shift in their role and see the value in changing behaviors.
- ✓ The decision process must be clear at each step of the process

Controlled Decision - One party can make a high quality decision without the need for collaboration

Consulted Decision - One party makes the decision but must seek/allow review by other stakeholders

Consensus Decision - All stakeholders must collaborate and agree on the decision

- ✓ Decision-making roles and responsibilities must be clear at each of the processes:

(F) = Final authority to make the decision

(R) = Right to provide input on the decision before the decision is made

(I) = Right to be informed of the decision once its made

## IX. Pilot Process Roles and Responsibilities

PROCESS STEP		ROLES AND RESPONSIBILITIES						DECISION PROCESS	
		Military Service Pak Specialist	Industry Pak Spec	DCMC Pak Specialist	DCMC OAR	ACOs	End-User	Pilot-PT	
1	Jointly Review Understanding & Verify Pak Performance Requirements COMMUNICATE!	<ul style="list-style-type: none"> <li>Proactively supply information to Industry Pak Specialist</li> <li>Represent end-user needs accurately</li> </ul>	<ul style="list-style-type: none"> <li>Proactively seek information from DoD Packaging Specialist</li> <li>Be open to suggestions</li> </ul>	<ul style="list-style-type: none"> <li>Proactively collaborate with Military Service and Industry Pak Specialist on determining performance requirements</li> </ul>			<ul style="list-style-type: none"> <li>Participate in the development of performance requirements</li> </ul>		CONTROLLED
2	First Design/Test Innovations in Pak Method and Procedures COMMUNICATE!	<ul style="list-style-type: none"> <li>Provide input on potential pak design innovations</li> <li>Don't dictate!</li> </ul>	<ul style="list-style-type: none"> <li>Identify innovation opportunities</li> <li>Communicate major innovations to DoD Pak Specialist/QUARANTO</li> <li>Be open to input</li> </ul>	<ul style="list-style-type: none"> <li>Stay informed on major innovations being tested</li> </ul>	<ul style="list-style-type: none"> <li>Stay informed on major innovations being tested</li> </ul>	<ul style="list-style-type: none"> <li>Stay informed on major innovations being tested</li> </ul>			CONTROLLED
3	Implement Innovations COMMUNICATE!	<ul style="list-style-type: none"> <li>Stay informed on process</li> <li>Assist if problems arise</li> <li>Don't meddle!</li> </ul>	<ul style="list-style-type: none"> <li>Use project code to identify all innovation paks</li> <li>Communicate progress</li> </ul>	<ul style="list-style-type: none"> <li>Stay informed on process</li> <li>Assist if problems arise</li> <li>Don't meddle!</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with new design</li> <li>Provide feedback</li> <li>Don't "out pick"</li> </ul>	<ul style="list-style-type: none"> <li>Assist if problems arise</li> </ul>	<ul style="list-style-type: none"> <li>Understand project code designations and innovations</li> </ul>		CONTROLLED
4	Provide Feedback Make Corrections and Share Learning COMMUNICATE!	<ul style="list-style-type: none"> <li>Monitor performance</li> <li>Provide immediate feedback</li> <li>Be collaborative with industry and end-user</li> </ul>	<ul style="list-style-type: none"> <li>Measure</li> <li>Analyze RORs</li> <li>Correct problems</li> <li>Revise design/processes as needed</li> </ul>	<ul style="list-style-type: none"> <li>Analyze RORs</li> <li>Assist in resolving issues</li> <li>Problem solve</li> </ul>	<ul style="list-style-type: none"> <li>Analyze RORs</li> <li>Assist in resolving issues</li> <li>Problem solve</li> </ul>	<ul style="list-style-type: none"> <li>Analyze RORs</li> <li>Assist in resolving issues</li> <li>Problem solve</li> </ul>	<ul style="list-style-type: none"> <li>Provide RORs in timely fashion</li> <li>Problem solve</li> </ul>	<ul style="list-style-type: none"> <li>Analyze perf data</li> <li>Communicate success</li> <li>Share learning</li> </ul>	CONSENSUS
Keys to Success		<ul style="list-style-type: none"> <li>Share with industry what you know about end-user requirements</li> </ul>	<ul style="list-style-type: none"> <li>Seek input and keep DoD counterparts informed</li> </ul>	<p>Look for ways to encourage innovation</p>			<ul style="list-style-type: none"> <li>Report the good and the bad</li> </ul>	<ul style="list-style-type: none"> <li>Maintain an objective position when problems arise</li> </ul>	

© 1999 Leap Technologies, Inc.

Final Authority

Review & Feedback

## ***Commercial Packaging Pilot Program***

### **X. THINGS TO AVOID**

Do Not...

#### **DoD Packaging Specialist**

- Clam up and say "it is your problem now"
- Not communicate effectively DoD packaging needs
- Practice inflexibility, isolationism
- Insist on doing what we have always done
- Try to dictate specific standards and requirements
- Be authoritarian with contractor
- Say no automatically

Do Not...

#### **Industry Packaging Specialist**

- Put cost reduction over quality
- Ignore need to interface with DoD packaging specialist
- Fail to identify and talk with DoD packaging specialist
- Fail to communicate rationale and testing data
- Be arbitrary and unilateral in innovation
- Disregard valid government requirements
- Disregard advice and dialogue from DoD packaging specialist
- Be unwilling to listen and be open minded
- Compromise performance over profit
- Lose sight of customer needs.

Do Not...

#### **DCMC Packaging Specialist**

- Fail to cooperate and to try understand with industry proposed solutions
- Inhibit innovation, work to intent not to the letter of the process
- Harass contractors
- Become closed-minded
- Fail to be visible and provide feedback to contractor and DoD
- Create unnecessary oversight and delays

## Commercial Packaging Pilot Program

### THINGS TO AVOID (continued)

Do Not...

#### DCMC QAR

- Work in a vacuum
- Fail to communicate why deficiencies are truly deficient.
- Execute excessive inspection and oversight
- Stall progress

Do Not...

#### ACO

- Demand every detail be documented
- Ignore perspective of customer and operational needs
- Change contract requirements without DoD Industrial Packaging Specialist
- Inhibit progress, assist the contractor to perform satisfactorily
- Disregard DoD and DCMC Pack Specialist concerns when applying contract mods
- Be narrow-minded

Do Not...

#### USERS

- Use contractor guarantee as a vehicle to dump trash
- Fail to provide feedback
- Fail to work through issues and procedures that will have to be used during implementation
- Reject packages because they look different
- Target the pilot program for failure
- Fail to report promptly problems with packaging
- Fail to communicate packaging requirements

Do Not...

#### PILOT IPT

- Oversimplify process and operational or stakeholder needs
- Support decisions driven by politics
- Fail to work through issues and procedures necessary for implementation
- Stop listening to all concerns
- Become the stumbling block and not accept risk
- Let history repeat itself with commercial packaging, take heed of lessons learned
- Fail to communicate, adherence to advocacy, inability to take risk.



## ***Commercial Packaging Pilot Program***

### **XII. GUIDELINES FOR SUCCESSFUL IMPLEMENTATION**

<b>Issue</b>	<b>Guidelines for Handling</b>
1. Inadequate ROD process resulting in slow or no feedback on problems with packaging innovations implemented	<ul style="list-style-type: none"><li>✓ Communicate importance of RODs to Depot personnel</li><li>✓ Brief Depot personnel on pilot observables process program codes</li><li>✓ Conduct field visit to gather first hand data</li><li>✓ Get PackProbe operational ASAP</li></ul>
2. History of poor DoD/Industry communications	<ul style="list-style-type: none"><li>✓ Launch program with local industry and DoD personnel at each pilot site using modified Rapid Improvement Process</li><li>✓ IPT members take responsibility for briefing their stakeholder group and ensure understanding</li><li>✓ IPT members to monitor progress and facilitate issue resolution</li></ul>
3. Immediate replacement of part when innovative pak fails to perform	<ul style="list-style-type: none"><li>✓ Immediately follow standard return procedures</li><li>✓ Industry will reship parts if no resolution is possible in time to prevent end-user problem</li></ul>
4. Not receiving reusable container on an item where reusables are required	<ul style="list-style-type: none"><li>✓ Military Service Pak Specialist and Industry Pak Specialist must communicate with each other and determine what is required</li><li>✓ If reusable containers exist and can be shipped to vendor site, both parties should collaborate to make necessary arrangements</li></ul>

## *Commercial Packaging Pilot Program*

### **GUIDELINES FOR SUCCESSFUL IMPLEMENTATION (continued)**

Issue	Guidelines for Handling
5. Cost savings consideration	<ul style="list-style-type: none"> <li>✓ After 12 months the issue will be revisited by the IPT</li> <li>✓ Scorecard data will be used to support if and how cost savings will be shared with DoD</li> </ul>

### **XIII. PLAN FOR REPORTING AND EVALUATING RESULTS**

Milestone Date	Action	Who's Responsible
May 3, 1999	Launch	IPT members brief departments "1 on 1" communication
August 1, 1999	Internal First report	IPT Meeting
	PPCG Briefing	S Hawkins
November 1, 1999	Internal 2nd report	IPT Meeting
	PPCG Briefing	S Hawkins
February 1, 2000	Internal 3rd report	IPT Meeting
	PPCG Briefing	S Hawkins
May 3, 2000 or by November 1, 2000	Report to SPI Executive Council	IPT meeting



# *Commercial Packaging Pilot Program*

## **Appendix A**

### **OSD & Service Policy and Guidance**

- MEMORANDUM, OFFICE OF THE UNDER SECRETARY OF DEFENSE (A&T), October 29, 1998, SUBJECT: Charter for DoD Packaging IPT and Pilot Programs
- MEMORANDUM, PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE (A&T), March 5, 1999, SUBJECT: DoD Packaging Pilot Program
- MEMORANDUM, US ARMY, OFFICE OF THE ASSISTANT SECRETARY (RDA), April 2, 1999, SUBJECT: DoD Packaging Pilot Program
- MEMORANDUM, US AIR FORCE, OFFICE OF THE ASSISTANT SECRETARY (SAF/AQC), April 19, 1999, SUBJECT: DoD Packaging Pilot Program
- MEMORANDUM, US NAVY, OFFICE OF THE ASSISTANT SECRETARY (RDA), June 15, 1999, SUBJECT: DoD Packaging Pilot Program
- MEMORANDUM, DEFENSE LOGISTICS AGENCY, June 17, 1999, SUBJECT: Pilot Test Of Commercial Packaging for Acquisition Reform
- MEMORANDUM, DEFENSE LOGISTICS AGENCY, May 25, 1999 SUBJECT: Pilot Test Of Commercial Packaging for Acquisition Reform
- DCMC Tasking Memorandum No. 99-214 Memorandum For: Commanders DCMC GE Aircraft Engines, Cincinnati and DCMC Phoenix, Date: 8 June 1999 Subject: DoD Commercial Packaging Pilot Program (TASKING)

# Commercial Packaging Pilot Program



PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE

3015 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3015

October 29, 1996

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES  
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Charter for DoD Packaging IPT Pilot Programs

Civil Military Integration (CMI), eliminating the distinction between doing business with the Government and other buyers, is critical to meeting our future military, economic, and policy objectives. The transition of the Department of Defense (DoD) on October 1, 1996 to a new standard for packaging, MIL-STD-2073-1C, provides the foundation for the maximum use of commercial type packaging and represents a key first step toward achieving civil military integration.

To further the progress of implementing MIL-STD-2073-1C and optimize the use of commercial packaging, the Deputy Under Secretary of Defense (Acquisition Reform) (DUSD (AR)) and Deputy Under Secretary of Defense (Logistics) (DUSD(L)) are chartering a cross-functional DoD Integrated Product Team (IPT) among government and industry. The IPT will monitor the designated two pilot programs and explore conducting further pilot packaging programs, while streamlining the SPI processing efforts. This IPT will be co-chaired by Mr. Shawn R. Hawkins ODUSD(AR) and Mr. Mike Wemke DUSD(L). The IPT will establish metrics and performance measures to jointly analyze commercial packaging performance, monitor the two Pilot programs and report interim results to DUSD(AR) and DUSD(L) as required. The attached charter provides key objectives for the IPT.

/s/  
Stan Z. Soloway  
Deputy Under Secretary of Defense  
(Acquisition Reform)

/s/  
Roger W. Kailock  
Deputy Under Secretary of Defense  
(Logistics)

# **Commercial Packaging Pilot Program**

## **CHARTER FOR DOD PACKAGING IPT AND PILOT PROGRAMS**

### **OBJECTIVES:**

1. To establish a cross-functional DoD IPT consisting of representatives from the Department of Defense and industry to review and streamline packaging Single Process Initiatives (SPI) as required.
2. To implement civil military integration, where practical, to eliminate the distinction between doing business with the government and other buyers for the purpose of meeting future military, economic, and policy objectives in support of the Department of Defense and the war fighter.

### **RESPONSIBILITIES:**

1. The Deputy Under Secretary of Defense (Acquisition Reform) (DUSD(AR)) and the Deputy Under Secretary of Defense (Logistics) (DUSD(L)) will sponsor the IPT and provide joint direction and guidance.
2. The IPT will be co-chaired by representatives from the acquisition reform and logistics communities. The representatives will be designated by the DUSD(AR) and DUSD(L).
3. The IPT membership will consist of representatives from the DUSD(AR) and DUSD(L), the military saucers (Defense Packaging Policy Group), and the Defense Logistics Agency's Defense Logistics Support Command and Defense Contract Management Command.

### **FUNCTIONS:**

1. The IPT will establish a joint government and industry-working group, which will meet at the calling of the co-chairs.
2. The combined IPT/working group will address issues relating to the evaluation, review, and negotiation of SPIs for packaging, as required and the use of commercial packaging for the proposed industry pilots.
3. The combined IPT will baseline industry-developed pilots.
4. The working group will review unresolved SPI's for packaging, as required and provide DCMC assistance in negotiating mutually acceptable solution with the submitter. The working group will work with industry to solicit innovative approaches, which will provide the required protection necessary to ensure serviceable materiel and supplies to the war fighter.
5. The working group will develop a plan to educate and train government and industry personnel concerning the use of commercial and military packaging and implementation of the pilot programs. The DUSD(AR) & DUSD(L) will identify resources to conduct pilots and develop course training material.
6. Prepare and distribute correspondence to industry associations communicating DoD's plan for CM initiatives and requesting their support.
7. Establish further pilot programs to:
  - A. Evaluate commercial packaging practices, materials and technology improvements.
  - B. Review and evaluate the various industry quality standards and work with the trade organizations to attempt to consolidate and/or establish a single "standard practice for packaging quality" that will be suitable for government and industry.
  - C. Develop contract language to address risk issues.
  - D. Establish metrics and measures to jointly analyze the pilot programs; the performance of commercial packaging; and the number or percentage of the military services and DLA contracts specifying commercial packaging.

**Reports:** Prepare and provide periodic interim status reports to the offices of the DUSD(AR) and DUSD(L) by January 13, 1999, and after as required.

**Administration:** DUSD(AR) and DUSD(L) each will fund respective staff to accomplish necessary travel and

## ***Commercial Packaging Pilot Program***

administrative costs associated with the IPT/working group functions.

This charter, and the associated IPT, will remain in effect until disbanded and/or revised by the offices of the OUSD(AR) and OUSD(L).

8.

# Commercial Packaging Pilot Program



PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE

3015 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3015

5 March 1999

MEMORANDUM FOR SERVICE ACQUISITION EXECUTIVES  
DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: DoD Packaging Pilot Program

As part of our continuing effort to eliminate burdens imposed on industry to maintain multiple processes, I have approved a three-year commercial packaging pilot program as a result of discussions held at the December 1998 Single Process Initiative Executive Council. This pilot program will provide DoD an opportunity to apply commercial packaging techniques, materials, technologies and quality standards/or packaging of deliverables. I chartered a joint Government-industry Integrated Product Team (IPT) in late 1998 to develop the details of this pilot program.

The pilot contractors, General Electric and AlliedSignal, will implement this program at multiple sites, across all Department programs and contracts including those where they are delivering items to the Government under sub-contracts to other defense suppliers. To ensure the most favorable outcome, we must consistently apply the pilot program provisions across the Department. Therefore, I request you notify all procurement authorities within your agency that their cooperation and strict adherence to the program are essential. I have attached the Single Process Initiative (SPI) block change contract modification language that will enable both General Electric and AlliedSignal to utilize commercial packaging during the pilot period for all existing contracts.

Accordingly, please ensure that the appropriate contract administration offices execute the block change modification. During the life of the pilot program, you are to ensure that procuring contracting officers use this same language in all new contracts awarded to the two pilot contractors. Further, you should facilitate its use in subcontracts awarded under the pilot contractors' prime contracts to ensure a full and thorough test of the use of commercial packaging practices across all contracts, subcontracts and environments. Please provide me with a copy of your direction to your buying activities implementing these requirements.

The first review of the pilot program will be in 12 to 18 months. At that time, preliminary performance data will be thoroughly analyzed to evaluate the benefits of the pilot program and make any necessary mid-course corrections. In the intervening period, your full support is essential to the success of the pilot. This pilot program will remain in effect until the contractor(s) and I mutually agree to make its provisions permanent or otherwise terminate the pilot program. My point of contact for this initiative in the Office of the Deputy Under Secretary of Defense (Acquisition Reform) is Mr. Shawn Hawkins, (703) 697-6398.

/s/  
Dave Oliver

Attachment: As stated

cc:  
DEPUTY UNDER SECRETARY OF DEFENSE  
(ACQUISITION REFORM)  
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)  
DIRECTOR, DEFENSE PROCUREMENT  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

# Commercial Packaging Pilot Program



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH DEVELOPMENT AND ACQUISITION  
103 Army Pentagon  
Washington, DC 20310-0103

Reply to  
Attention Of  
SARD-PR

2 April 1999

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: DoD Packaging Pilot Program

In our continuing Acquisition Reform effort to streamline processes, the Principal Deputy, Under Secretary of Defense (Acquisition and Technology), has approved a three-year commercial packaging pilot program. This pilot program provides the Army an opportunity to apply commercial packaging techniques, materials, technologies and quality standards.

The pilot contractors, General Electric and Allied Signal, will implement this program at multiple sites and across a variety of Army programs and contracts, including those items they deliver under sub-contracts. I ask that you notify all acquisition authorities within your command that their cooperation and strict adherence to the program are essential to its success.

The enclosed DoD Memorandum introduces the pilot program and provides the Single Process Initiative (SPI) block change contract modification language enabling both General Electric and Allied Signal to use commercial packaging during the pilot period. Use the same language in all new contracts awarded to the two pilot contractors.

Your full support is essential to the success of the pilot program.

A handwritten signature in cursive script that reads "Paul J. Hooper".

Paul J. Hooper  
Assistant Secretary of the Army  
(Acquisition, Logistics and Technology)

Enclosure

## Commercial Packaging Pilot Program



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 Navy Pentagon  
Washington, DC 20350-1000

15 June 1999

### MEMORANDUM FOR DISTRIBUTION

Subj: DOD PACKAGING PILOT PROGRAM

Encl: (1) DUSD packaging Pilot Program memo of 05 Mar 99

Enclosure (1) approved a DoD three-year pilot program at selected Allied Signal and General Electric (GE) locations. The purpose of the program is to test the feasibility of integrating commercial and military processes. The pilot program includes not only current and future DoD contracts/orders with these two contractors, but also those where they are delivering items to the Government under subcontract to other defense suppliers.

As such, I am requesting your assistance in ensuring that all Navy contracting offices are notified of the pilot program. In addition, request these agencies execute enclosure (1) block change modification language for all new contracts awarded to GE and Allied Signal as well as any subcontracts awarded under GE and Allied Signal's prime contracts.

The pilot program includes eight contractor locations: GE Aircraft Engines, Evandale, OH (Cage Code 07482) and Lynn, MA (Cage Code 99207); GE Aviation Service, Strothers, KS (Cage Code 24113), and Ontario, CA (Cage Code 06858); and GE Electric Engine Service, Cincinnati, OH (Cage Code 062W2); AlliedSignal Engines, Phoenix, AZ (Cage Code 99193); and Allied Signal Aerospace Equipment Systems, Tempe, AZ (Cage Code 59364) and Tucson, AZ (Cage Code 64547). The Defense Contract Management Command will amend current DOD contracts at these locations to incorporate the approved enclosure (1) block change contract language.

Beginning 3 May 1999, all shipments from the above contractors' cage codes will be commercially packaged. Procurement offices should continue to include military packaging requirements in all solicitations/orders. When the above contractors bid their commercial packaging methods in lieu of specified military packaging and are selected for award, you should add the approved enclosure (1) block change contract language to the contract while retaining the military packaging requirement. If military packaging is not a requirement on your contract or order, no action is required since the pilot program and block change language do not apply.

## ***Commercial Packaging Pilot Program***

Subj: DOD PACKAGING PILOT PROGRAM

The Navy point of contact is Mr. Frank Sechrist, who can be reached at (717) 605-2694, DSN 430-2694 or Email at: [frank\\_a\\_sechrist@icpmc.navy.mil](mailto:frank_a_sechrist@icpmc.navy.mil). The Marine Corps point of contact is Mr. Mike Dawson, who can be reached at (703) 695-8926, DSN 225-8926 or email at: [dawsonmm@hmc.usmc.mil](mailto:dawsonmm@hmc.usmc.mil).

/s/

G. H. Jenkins, Jr.  
Rear Admiral, SC, U.S. Navy  
Deputy for Acquisition & Business  
Management



# Commercial Packaging Pilot Program



DEPARTMENT OF THE AIR FORCE  
WASHINGTON, DC



Office of the Assistant Secretary

19 Apr 1999

## MEMORANDUM FOR ALMAJCOM (CONTRACTING)

FROM: SAF/AOC  
1080 Air Force Pentagon  
Washington, DC 20330-1060

SUBJECT: DoD Packaging Pilot Programs (PDUSD(A&T) Memo, 5 Mar 99)

The subject memo (attached) approves a DoD three-year pilot program at selected General Electric and AlliedSignal locations to evaluate the benefits of using commercial packaging methods in lieu of government packaging standards, including MIL-STD-2073. The pilot program includes not only current and future DoD contracts/orders with these two contractors, but also those where they are delivering items to the Government under subcontracts to other defense suppliers. The subject memo is forwarded for your implementation.

This program is further evidence of DoD's preference for commercial packaging which was stated by USD(A&T) memo, "Single Process Initiative and Packaging Policy," dated 10 Oct 97, and implemented by SAF/AQ memo, same subject, dated 12 Nov 97. These memoranda can be found at [http://www.asfaq.hq.af.mil/acq\\_ref/spi/ackpol.doc](http://www.asfaq.hq.af.mil/acq_ref/spi/ackpol.doc).

The pilot program presently includes eight contractor locations: General Electric Aircraft Engines, Evendale, OH, (Cage Code 07482) and Lynn, MA (Cage Code 99207); General Electric Aviation Service, Strother, KS (Cage Code 24113), and Ontario, CA (Cage Code 06858); and General Electric Engine Service Cincinnati, OH (Cage Code 062W2); AlliedSignal Engines, Phoenix, AZ (Cage Code 99193); and AlliedSignal Aerospace Equipment Systems, Tempe, AZ (Cage Code 59364) and Tucson, AZ (Cage Code 64547). The Defense Contract Management Command will amend current DoD contracts at these locations to incorporate the approved block change contract language.

Buying offices should continue to include military packaging requirements in solicitations/orders when deemed appropriate. In addition, including the provision at DFARS 252.211-7005, Substitutions for Military or Federal Specifications and Standards as prescribed by DFARS 211.273, allows for submission of bids on differing bases. When these pilot contractors bid their commercial packaging methods in lieu of specified military packaging and are selected for award, you should add the approved block change contract language to the contract while retaining the military packaging requirement. Conversely, if military packaging is not a requirement on your contract or order, no action should be taken because the pilot program and the approved block change contract language do not apply.

This policy memo is effective for the duration of the pilot program. Direct questions about the pilot program to the cognizant DCMC office or the AF member of the IPT, Mr. Michael Wernke, AFPMO LSO/LOP, DSN 787-2638, [mike.wernke@wpafb.mil](mailto:mike.wernke@wpafb.mil); the Single Process Initiative (SPI) to your organization's SPI focal point or Mr. Ryan Bradley, SAF/AQRE, DSN 425-7830, [bradley@af.pentagon.mil](mailto:bradley@af.pentagon.mil); and contract policy matters to Mr. Eric Kattner, SAF/AQOP, DSN 425-7056, [ekattner@af.pentagon.mil](mailto:ekattner@af.pentagon.mil).

/s/  
TIMOTHY A. BEYLAND  
Associate Deputy Assistant Secretary  
(Contracting)  
Assistant Secretary (Acquisition)

## Commercial Packaging Pilot Program



DEFENSE LOGISTICS AGENCY  
DEFENSE LOGISTICS SUPPORT COMMAND  
8725 JOHN J. KINGMAN ROAD, SUITE 2533  
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO: DLSC-LDD

17 June 1999

MEMORANDUM FOR COMMANDER, DEFENSE SUPPLY CENTER RICHMOND  
COMMANDER, DEFENSE SUPPLY CENTER COLUMBUS  
COMMANDER, DEFENSE SUPPLY CENTER PHILADELPHIA

SUBJECT: Pilot Test of Commercial Packaging for Acquisition Reform

By memorandum of March 5, 1999, Mr. Dave Oliver, Principal Deputy Under Secretary of Defense (Acquisition and Technology), (attachment 1) approved a three-year pilot test program to evaluate the suitability of commercial packaging of Allied Signal Corporation and General Electric Company to meet military distribution needs. The DoD Rapid Implementation Team (KIT) for this test developed the attached implementation plan (attachment 2) on how the contractors and affected DoD Inventory Control Points (ICPs) will mutually develop and revise packaging requirements. The plan also includes metrics to measure the adequacy of the test packages, improved efficiency, and potential cost reductions. Customers should identify test packages as being marked with Project Code 3AI or 3AJ as shown in the enclosed DLMSO memorandum (attachment 3) and cite the project code when reporting any problems to the affected ICP.

This pilot test will run for up to three years. The effective start date was May 3, 1999. During the test period, the RIT will periodically survey ICPs and customers about the pilot test progress to identify the pros and cons of the implementation plan. I request your participation and support where Allied Signal or General Electric holds contracts issued by your activities. Contracts issued to these contractors, for performance at the specified locations, should incorporate the agreed upon language as provided in attachment 1. Copies of discrepancies reported under this pilot test should be furnished to the cognizant DCMC office administering your contracts.

Our points of contact for Packaging (DLSC-LDD) are Mr. Joe Maloney, DSN 427-3573 and Mr. Frank Guernera, 427-3511. Our POC for Contracting (DLSC-POA) is Mr. Ed Leslie, DSN 427-1467.

/s/  
DAVID P. KELLER  
Rear Admiral, SC, USN  
Commander

Attachments

CC:  
DLSC-POA  
DCMC-OB

# Commercial Packaging Pilot Program



DEFENSE LOGISTICS AGENCY  
DEFENSE LOGISTICS SUPPORT COMMAND  
8725 JOHN J KINGMAN ROAD, SUITE 2533  
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO DLSC-LDD

25 May 1999

MEMORANDUM FOR COMMANDER, DEFENSE DISTRIBUTION CENTER

SUBJECT: Pilot Test of Commercial Packaging for Acquisition Reform

On March 5, 1999, Mr. Dave Oliver, Principal Deputy Under Secretary of Defense (Acquisition and Technology), signed a memorandum (attachment 1) approving a three-year pilot test program. The test will evaluate the suitability of commercial packaging from several divisions of Allied Signal Corporation and General Electric Company to meet military distribution needs. The DoD Rapid Implementation Team (KIT) for this test completed its work on April 21, 1999 by developing an Implementation Plan (attachment 2). The plan contains the details on how the contractors and affected DoD Inventory Control Points (ICPs) will mutually develop and revise packaging requirements. Additionally, it includes metrics whereby customers identify test packages marked with Project Code 3AI or 3AJ as shown in the enclosed memorandum from DLMSO (attachment 3) and report any encountered problems to the affected ICP.

The pilot test will run for up to three years, beginning on May 3, 1999. During the test period, the KIT will periodically survey the ICPs and customers, including the affected Defense Distribution Depots (DDs), about the progress of the pilot test to identify the pros and cons of the implementation plan.

During the course of the test, it is critical the depots understand that packages marked with either Project Code 3AI or 3AJ will not necessarily comply with the MIL-STD-2073 packaging requirements called for by the managing ICP. If any package marked with Project Code 3AI or 3AJ is received at the depot and shows no visible damage, depot personnel should accept the package and properly store it for subsequent distribution. If the package arrives with obvious visible damage, depot personnel should suspend the receipt and report the discrepancy to the managing ICP. Discrepancy reports must clearly identify the packaging was marked with either project code 3AI or 3AJ. Fortunately, all packages shipments from the two affected contractors will be source inspected. As a result, the depots should not need to further inspect the packages unless there is visible damage.

Similarly, during the conduct of Care of Supplies in Storage (COSIS), if the depot finds either the packaging or its contents have deteriorated during storage, the depot should report the problem to the managing ICP. This procedure is outlined in DLSC-LDD memorandum, dated September 2, 1998, "DOD Stock Readiness Program, including Care of Supplies in Storage (COSIS) for FY 99." As with discrepancy reports generated during receiving operations, reports from COSIS operations must clearly identify the packaging was marked with either project code 3AI or 3AJ.

I request that you alert the DDs about this test program as soon as possible. Our POCs are Joe Maloney, DSN 427-3673 and Frank Guerrero, 427-3511.

/s/  
WALTER E. BERGMANN, II  
Executive Director  
Logistics Management

## Commercial Packaging Pilot Program

Tasking Memorandum No. 99-214

Memorandum For: Commanders DCMC GE aircraft Engines, Cincinnati and DCMC Phoenix

Subject: DoD Commercial Packaging Pilot Program (TASKING)

Date: 8 June 1999

Target Audience: Administrative Contracting Officers (ACOs) at participating contractor facilities; DCMC Personnel involved in SPI

### Background:

DoD's implementation of MIL-STD-2073-10 and transition to commercial packaging is a key first step toward achieving civil military integration (CMI). Integral objective is the use of the Single Process Initiative (SPI) to facilitate CMI.

- On March 5, 1999, Mr. Dave Oliver, Office of the Deputy Under Secretary of Defense (Acquisition Reform) (DUSD(AR)) signed a memorandum, subject: DoD Packaging Pilot Program, approving a three year commercial packaging pilot program based on the recommendations Government-Industry Integrated Product Team (OPT), including the attached Single Process Initiative block change contract modification language.
- Additionally, the DoD Rapid Improvement Team (RIT), completed its work April 21, 1999, developing the implementation plan, released April 30, 1999, with an implementation date of May 3, 1999.
- The resulting pilot program will be a three year effort which allows the selected two contractors to use commercial packaging practices on existing and future military orders at the following locations:
  - General Electric:  
07482 - GEAE, Evendale, OH and 99207 - GE Lynn, MA  
062W2 - GE Engineering Services Cincinnati, OH,  
24113 - GEES Strother, KS, and 06858 - GEES Ontario, CA
  - AlliedSignal  
99193 - Phoenix, 59364 - Tucson, and 64547 - Tempe
- The implementation plan contains the details on how packaging requirements are to be modified including the Project Codes identifying the material as packaged in accordance with the terms of this pilot. The Project Codes are 3AJ for Allied Signal and 3AI for General Electric. These codes have been assigned by DLMSO for use only at the sites designated above. Additional future sites must be requested through DLSC-LDD.
- This pilot applies to contracts for which the participants are both prime and subcontractors (where the prime would not re-package the items). At this point, neither contractor has identified any subcontractor locations.
- The Component Acquisition Executives (CAEs) and the SPI Executive Council have endorsed the pilot.
- Attachment 1 provides the pilot implementation letter from Dr. Oliver dated March 5, 1999
- Attachment 2 provides DoD Commercial Packaging Pilot Implementation Plan released April 30, 1999
- Attachment 3 assigns Project codes in DLMSO letter dated December 7, 1998

### Requirement(s):

- By authority granted in Attachment 1, ACO's at cognizant contractor facilities are to immediately execute block change modifications to all existing contracts with packaging requirements using the block change language provided in Attachment 1.
- Although cognizant CAOs should use the SPIS database to input receipt of the concept papers and modification dates, the normal SPI CTL approval/coordination cycle is not necessary, as per terms of the pilot.
- ACOs shall incorporate the necessary provisions in the block change modification to obtain measurement data to evaluate potential cost savings, packaging cycle time improvements, and/or packaging discrepancies associated with use of commercial packaging procedures (Attachment 2)
- ACOs shall implement the block change language as expeditiously as practicable at their respective facilities
- Affected CAO's should update the SPIS database to reflect "withdrawal" to following PIDs: 424
- For the new concept papers being submitted to replace the existing concept papers, please use the following for the data entries:

### ***Commercial Packaging Pilot Program***

- CPID -- begin CPID with "PACK" to reflect inclusion in packaging pilot o ACO Accept Date -- date contractor submits revised concept paper to CAO o MC/Tech Accept Date -- date of Execution memo from OSD
- ACO Accept Date -- date contractor submits revised concept paper to CAO.
- MC/Tech Accept Date -- date of Execution memo from OSD.
- Mod -- enter Y or A to reflect mods or MOAs signed
- Mod date -- date ACO signs MOD

PLAS CODE: 041

**Point of Contact for Further Information:**

frank.guerrero@hq.dia.mil/DLA DLSC-703-767-3511

yclanda-gallegos@hq.dia.mil/SPI Center, DCMOC-H/703-767-1274

**Signature:**

ROBERT W. SCHMITT

Deputy Executive Director

Contract Management Operations